STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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SPRINTCOM, INC., WIRELESSCO, L.P., NPCR, INC. D/B/A NEXTEL PARTNERS, AND NEXTEL WEST CORP. Petition for Arbitration, Pursuant to Section 252(b) of the Telecommunications Act of 1996, to Establish an Interconnection Agreement With Illinois Bell Telephone Company d/b/a Ameritech Illinois	)	Docket No. 12-0550

SPRINTCOM, INC., WIRELESSCO, L.P. THROUGH THEIR AGENT SPRINT SPECTRUM L.P., NPCR, INC. D/B/A NEXTEL PARTNERS AND NEXTEL WEST CORP.

EXHIBIT 2.0

VERIFIED WRITTEN STATEMENT OF MARK G. FELTON

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Introduction

Q. Please state your name and business address.

A. My name is Mark G. Felton. My business address is 6450 Sprint Parkway, Overland Park, Kansas 66251.

Q. On whose behalf are you testifying?

A. I am testifying in this proceeding on behalf of SprintCom, Inc., WirelessCo, L.P. through their agent Sprint Spectrum L.P. and Nextel West Corp. (collectively "Sprint").

Q. What is your position with Sprint?

A. I am a Contracts Negotiator III for Sprint.

Q. What are your principal responsibilities with Sprint?

A. I am responsible for supporting the negotiation of interconnection agreements ("ICAs") pursuant to Section 251/252 of the Telecommunications Act of 1996 ("the Act" or "Telecom Act") on Sprint's behalf.

Q. Please describe your educational and business experience.

A. I graduated from the University of North Carolina at Wilmington in 1988 with a B.S. degree in Economics. I received a Masters degree in Business Administration from East

Carolina University in 1992. I began my career as a Management Intern with Carolina Telephone, a subsidiary of Sprint (or of its predecessor parent), in 1988 and have held positions of increasing responsibility since that time.

In June, 1999 I assumed responsibility for negotiations and implementation of Sprint's ICAs with various telecommunications carriers. Throughout the performance of my interconnection-related responsibilities from 1999 through the present, I have been required to understand and implement on a day-to-day basis Sprint Nextel's rights and obligations under the Act, the FCC rules implementing the Act, and federal and state authorities regarding the Act and FCC rules.

Q. Before what state regulatory commissions have you testified?

A. In addition to this Commission, I have previously testified before the Public Service Commissions in Alabama, Florida, Georgia, Kentucky, Louisiana, Missouri and South Carolina, the Indiana Utility Regulatory Commission, the North Carolina Utilities Commission, and the Pennsylvania Public Utility Commission. I have also provided written testimony before the Michigan and Wisconsin Public Service Commission

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my Direct Testimony is to support Sprint's position on the following issues: 5, 6, 7, 8, 15, 16, 17, 19, 20, 21, 22, 24, 30, 36, 37, 39, 40, 41, and 70.

Q. How is your Direct Testimony organized?

A. My Direct Testimony is organized topically around the following themes: Use of Interconnection Facilities (Issues 19, 20, 21, 22, 24, and 30), Point of Interconnection (Issues 15, 16, and 17), InterMTA (Issues 7, 39, 40, and 41), and Other Compensation Issues (Issues 5, 6, 8, 36, 37, and 70).

Background

Q. What is the overarching disagreement between Sprint and AT&T with respect to the facilities issues?

A. As a requesting carrier under Section 251, Sprint is entitled to interconnect with AT&T for the exchange of the entire universe of traffic – i.e. telephone exchange service, exchange access, and information services. This was the intent of the Telecom Act of 1996[1] and has been further reinforced by the FCC's recent CAF Order[2] clearly stating that all traffic is 251(b)(5) traffic. The facilities used to exchange the entire universe of traffic are subject to TELRIC pricing. AT&T seeks to impermissibly narrow the scope of traffic that can be exchanged over Interconnection Facilities and still receive TELRIC pricing. For example, in Issue 24, AT&T would require that Sprint purchase separate, unnecessary "Equal Access" facilities as switched access tariff services for exchange access traffic received from an interexchange carrier via an AT&T tandem.

Q. How does this disagreement regarding the use of Interconnection Facilities relate to traffic usage compensation?

A. In Sprint's view, the appropriate compensation for a particular type of traffic does not dictate the facilities over which traffic exchanged between the parties' networks must be routed. For example, in Issue 30, AT&T seeks to require that Sprint originated InterMTA traffic not be routed over the Interconnection Facilities but, must instead be

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1 Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (codified in scattered sections of 47 U.S.C.) (1996) ("Telecom Act").

2 *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, Report and Order and Further Notice of Proposed Rule Making, 26 FCC Rcd. 17663 (2011) ("CAF Order").

routed over Switched Access Services FGD trunks and facilities (i.e., facilities purchased by IXCs). AT&T's requirement appears to be driven by its belief that all InterMTA traffic is subject to switched access charges. But, as noted above, the FCC has reinforced that all traffic is 251(b)(5) traffic that can utilize the Interconnection Facilities, regardless of the appropriate compensation associated with such traffic. Therefore, regardless of how the compensation issues for InterMTA traffic may be resolved (Issues 39 and 40), Sprint is still entitled to deliver such traffic over Interconnection Facilities.

Use of Interconnection Facilities

Issue 19 - What are the appropriate definitions of "Interconnection Facilities?

Issue 20 - What is the appropriate use of Interconnection Facilities provided by AT&T?

Q. What is in dispute between the parties?

A. This issue essentially boils down to how Sprint may use Interconnection Facilities. The disagreement between the parties on the appropriate use of Interconnection Facilities manifests itself in how the term is defined (Issue 19) and the contractual provisions related to their use (Issue 20), which I will discuss here, and AT&T's resulting proposal for provisions allowing it to "police" the Interconnection Facilities for any type of traffic that might "contaminate" it, which I discuss at Issues 21 and 22. I would also like to point out that since Sprint filed its DPL on October 3, 2012, the parties have continued

discussions and have resolved the portion of this dispute related to the definition of "Facilities" and I have modified the statement of the Disputed Issue 19 accordingly.

Q. Do you have an overarching statement to make regarding AT&T's obligation to provide Interconnection Facilities at TELRIC rates?

A. Yes. It is apparent from AT&T's position and proposed language on Issues 19 through 22 that AT&T has a strong desire to limit the instances in which it actually has to provide Interconnection Facilities at TELRIC rates notwithstanding the unequivocal determination by the U.S. Supreme Court affirming what Congress and the FCC have stated for years, namely that a requesting interconnecting carrier is entitled to procure facilities "for the transmission and routing of telephone exchange and exchange access" at TELRIC rates. It is not surprising that AT&T would seek to perpetuate inflated access rates for Interconnection Facilities in its attempt to maximize its shareholder value and increase the costs of its competitor. It is important to view 19 through 22 issues against that backdrop.

Q. Does the Telecom Act address the use of Interconnection Facilities?

A. Yes. Section 251(c)(2) of the Telecom Act says that an incumbent LEC (such as AT&T) must make interconnection available to a requesting carrier "for the transmission and routing of telephone exchange and exchange access." As interpreted by the FCC, once

arrangements are used "to exchange some telephone exchange service and/or exchange access traffic", those same arrangements can be used for other traffic as well.[3]

Q. What is Sprint's position on Issues 19 and 20?

A. It is undisputed that Sprint will be using the Interconnection facilities to exchange telephone exchange service and exchange access via the Point of Interconnection ("POI"). Therefore, under Section 251(c)(2) of the Act, Sprint is entitled to use Interconnection Facilities to exchange all types of traffic between Sprint and AT&T via the same interconnection arrangement.

Q. What is AT&T's position on Issues 19 and 20?

A. As I understand it, AT&T believes that, in order for Sprint to receive TELRIC pricing, Sprint may only use the Interconnection Facilities to deliver Sprint-originated IntraMTA or transit traffic to AT&T, e.g. the Interconnection Facilities must be used "exclusively for Interconnection as defined in 47 C.F.R. §51.5" or "solely" for the exchange of such traffic. AT&T evidently believes that if Sprint delivers traffic other than IntraMTA traffic or transit traffic to AT&T, the Interconnection Facility becomes "contaminated" and is no longer eligible for TELRIC pricing. As stated above, there is no FCC-authorized prohibition to support AT&T's limitation.

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[3] *CAF Order*, 26 FCC Rcd. at 18028 ¶ 972.

Q. Can you give examples of traffic types that AT&T claims would "contaminate" the Interconnection Facility?

A. Yes. One example of exchange access that AT&T says would contaminate the Interconnection Facility is traffic delivered by an IXC to the AT&T access tandem that is destined for a Sprint end user, which I will discuss further at Issue 24. AT&T has indicated that Sprint would need to establish Equal Access trunks on a separate "switched access" facility to receive such traffic. Sprint could establish the Equal Access trunks on the Interconnection Facility, however, AT&T's position is that the Interconnection Facility would then be contaminated and would no longer be subject to TELRIC pricing. The second example is AT&T's Issue 30 position that Sprint-originated InterMTA traffic should not be routed over the Interconnection Facilities but, must instead be routed over Switched Access Services FGD trunks and facilities (i.e., facilities purchased by IXCs).

Q. Is there any disagreement between the parties that AT&T will send AT&T-originated InterMTA traffic over the Interconnection facilities?

A. No. Both parties expect AT&T to deliver its originated InterMTA traffic to Sprint over the Interconnection facilities. This traffic is telephone exchange service traffic. There is no reason for separate facilities to handle the delivery of either party's InterMTA traffic.

Q. Are there any types of traffic that Sprint recognizes is not 251(c)(2) traffic?

A. As to traffic *exchanged* between AT&T and Sprint over Interconnection Facilities, no. Sprint acknowledges that traffic which remains internal to Sprint, e.g. cell site backhaul traffic, is not 251(c)(2) traffic. However, to the extent 251(c)(2) traffic and non-251(c)(2) traffic might ride the same high-capacity facility, Sprint is entitled to TELRIC pricing for the portion of the facility (on a DS1-equivalent basis) used to carry the 251(c)(2) traffic.

Q. What language does Sprint propose to resolve Issue 19?

A. Sprint proposes the following language to resolve this issue:

> 2.60 "Interconnection Facilities" are the transmission facilities that connect Sprint's network with AT&T ILLINOIS' network for the mutual exchange of traffic. These facilities connect Sprint's network from Sprint's Switch or associated point of presence within the LATA to the POI for the transmission and routing of telephone exchange service and/or exchange access service. For the avoidance of doubt, and subject to Attachment 2, Section 5.6, the facilities referred to in this definition mean the entrance facilities used for Interconnection.

> Attachment 2
> 3.3 Subject to Section 3.9.1, each Party shall be responsible for providing its own or leased Interconnection Facilities to route calls to the POI. Each Party may construct its own Interconnection Facilities, or it may purchase or lease the Interconnection Facilities from a Third Party, or Sprint may purchase or lease the Interconnection Facilities from AT&T ILLINOIS, if available, pursuant to Section 3.5 below:

Q. What is in dispute in Issue 20?

A. This issue is very similar to Issue 19. AT&T agrees to provide Interconnection Facilities at TELRIC rates but then seeks to limit Sprint's ability to obtain TELRIC pricing by inserting the word "solely" into Attachment 2, Section 3.5.2 and attempting to

affirmatively include Equal Access and 911 as disallowed uses in AT&T's proposed Section 3.5.3 language. It is Sprint's understanding based upon AT&T's position statement that AT&T does not consider Equal Access or 911 traffic as 251(c)(2) traffic. The problem with AT&T's stated rationale is that, unlike non-251(c)(2) backhaul traffic, 911 traffic and Equal Access traffic is exchanged between the parties' networks and does not stay solely within Sprint's network.

Q. What is the practical effect of AT&T's proposed insertion of "solely" into Section 3.5.2?

A. The practical effect of AT&T's overly restrictive view on the types of traffic that are considered Section 251(c)(2) traffic would be to force Sprint to either (1) establish (and pay for) two redundant networks (one that is TELRIC-priced and one that is special access tariff- priced), or (2) continue to pay special access tariffed rates for facilities used for interconnection. For obvious reasons, the first alternative is inherently inefficient and uneconomical; and, the second alternative is contrary to the Talk America decision.[4]

Q. Does AT&T's restrictive view have any basis in Federal Law or the FCC's rules?

A. No. Pursuant to Section 251(c)(2) of the Telecom Act, AT&T must make Interconnection Facilities available at TELRIC rates "for the transmission and routing of telephone

[4] *Talk America, Inc. v. Mich. Bell Tel. Co.*, 131 S. Ct. 2254, 2260 (2011).

exchange and exchange access." As I stated earlier, I cannot think of any type of traffic exchanged between the parties' networks that would not be251(c)(2) traffic.

Q. What language does Sprint propose to resolve Issue 20?

A. Sprint proposes the following language to resolve this issue:

> 3.5.2 AT&T ILLINOIS shall provide Sprint existing Interconnection Facilities when used for Interconnection purposes within the meaning of Section 251(c)(2) of the Act, i.e., for the transmission and routing of telephone exchange service and/or exchange access service, at the rates set forth in the Pricing Sheets attached hereto and incorporated by this reference. An Interconnection Facility is existing if, at the time of Sprint's request, the facility is present in AT&T ILLINOIS' network and available for use as an Interconnection Facility and no special construction is required.

> 3.5.3 Sprint may not purchase Interconnection Facilities pursuant to this Agreement for any other purpose, including, without limitation (i) as unbundled network elements under Section 251(c)(3) of the Act, or (ii) for backhauling traffic (e.g., to provide a final link in the dedicated transmission path between Sprint's customer and Sprint's switch, or to carry traffic to and from its own end users).

Issue 21 - What provisions, if any, regarding Interconnection Facility Audits should be included in the Agreement?

Issue 22 - If Interconnection Facility Audits provisions are included in the Agreement, how should disputes regarding Interconnection Facility Audits be resolved?

Q. What is the disputed Issue between the parties?

A. As the extension to its overly restrictive view of the use of Interconnection Facilities discussed in Issues 19 and 20 above, AT&T further proposes extensive audit and remedy language specific to the use of Interconnection Facilities.

Q. So, this Issue represents a solution to a problem AT&T has created?

A. Yes. Because of AT&T's inappropriate restrictions on the use of the Interconnection Facility, AT&T further compounds the problem by proposing overly burdensome audit requirements to ensure that the restrictions are enforced. To be clear, if Sprint's position on Issues 19 and 20 is adopted, Interconnection Facility Audit language is completely unnecessary.

Q. Aside from the discussion of Issues 19 and 20 above, is there another reason AT&T's proposed language is unnecessary?

A. Yes. Even if Sprint's position on Issues 19 and 20 is not adopted, any dispute over the use of the Interconnection Facility should be handled like any other dispute – i.e., pursuant to the already agreed to dispute resolution provisions contained in Section 12 of the General Terms and Conditions of the Agreement. There is no need for additional burdensome procedures specific to the use of Interconnection Facilities. This is just another way AT&T imposes restrictions that would effectively chill Sprint's exercise of its right to obtain TELRIC pricing for Interconnection Facilities.

Q. Based on the discussion above, is any contract language necessary to provide a remedy for improper use of the Interconnection Facility?

A. While Sprint does not believe any language is necessary, Sprint does offer language that is much more succinct and appropriately points the parties to the dispute resolution procedures of the interconnection agreement to resolve any disagreements as to the appropriate use of Interconnection Facilities.

Q. What language does Sprint propose to resolve these Issues?

A. Sprint proposes one paragraph below to resolve Issues 21 and 22 instead of the 10 paragraph process AT&T proposes.

> 3.5.5.7 If AT&T ILLINOIS provides written Notice that Sprint has not complied with the use of the Interconnection Facilities in accordance with this Agreement, and Sprint disagrees, Sprint shall provide Notice requesting dispute resolution to AT&T ILLINOIS pursuant Section 12.0, Dispute Resolution of the General Terms and Conditions of the Agreement. Such dispute resolution discussions shall follow the dispute resolution process set forth in the General Terms and Conditions of the Agreement.

Issue 24 - Should Sprint be required to establish separate Type 2A Equal Access Trunk Groups?

Q. Please describe this issue.

A. The issue is whether Sprint should be required to set up separate "Equal Access" trunks to the AT&T access tandem to send and receive traffic carried by an IXC. This issue, like Issue 20, is related to the appropriate use of the Interconnection Facilities and to whom, as between Sprint or the IXC, AT&T provides "exchange access" service.

Q. What is Sprint's position on this issue?

A. Sprint's position is that traffic to or from an IXC falls into the category of "exchange access" as described in Section 251(c)(2) of the Telecom Act. AT&T and Sprint are jointly providing exchange access to an IXC - AT&T is not providing exchange access to Sprint. "Equal Access" is a wireline carrier's obligation to permit its originating end user to select a long distance toll provider. Where Equal Access exists, "exchange access" is still the service provided by the originating LEC to the selected long distance toll provider. As a wireless carrier, Sprint is not subject to the Equal Access obligations.

Q. Notwithstanding that Sprint does not have Equal Access obligations, does Sprint originate long distance toll through AT&T facilities?

A. No. Sprint does not direct any traffic destined for IXCs through AT&T facilities.

Q. What is AT&T's position on this issue?

A. From the DPL it seems that AT&T believes that unless an AT&T end user is on one end of the call, the call would not be considered exchange access for purposes of determining whether it may be delivered over the Interconnection Facility between the parties.

Q. What is the definition of exchange access?

A. The Telecom Act defines exchange access as "the offering of access to telephone exchange services or facilities for the purpose of the origination or termination of telephone toll services."[5]

Q. What is your understanding of exchange access as that term is used in Section 251(c)(2)?

A. My understanding of the term exchange access as described in Section 251(c)(2) of the Telecom Act is a carrier's provision of access to its network for toll providers to reach end users that originate or terminate "telephone toll services."[6] In other words, IXCs do not have direct connections with end users and, therefore, procure "access" to those customers utilizing the facilities of LECs and CMRS carriers. The purpose of Section 251(c)(2) is to put competing carriers on equal footing with the incumbent such that those competing carriers could also provide exchange access to an IXC. Congress intended for the Interconnection Facility to be used in cases where the ILEC and a requesting carrier were providing jointly provided exchange access.

Q. What is jointly provided access?

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[5] 47 U.S.C. § 153(20)

[6] The term "telephone toll service" means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service. 47 U.S.C. 153(55).

A. When exchange access is provided by two or more carriers to the same IXC, it is commonly referred to as jointly provided access or jointly provided switched access. That is, where the IXC needs access to a customer served by a carrier whose switch subtends, or is interconnected with, the access tandem switch of an incumbent LEC.

Q. Does AT&T provide jointly provided access today?

A. Absolutely. It is my understanding that this is a common arrangement in the telecommunications industry. Specifically, a smaller rural LEC will often subtend the access tandem of a larger LEC, such as AT&T. In those circumstances, when an IXC needs to terminate a call to the smaller LEC, it must use the network facilities of both the smaller LEC (typically some transport, end office switching, and the local loop) and the larger LEC (typically some transport and tandem switching). Each LEC bills the IXC an access charge specific to the network components provided for the completion of that call. The two LECs are providing jointly provided switched access service to the IXC.

Q. Will Sprint, in conjunction with AT&T, provide jointly provided access to IXCs?

A. Yes. Although Sprint is prohibited by the FCC from filing access tariffs, it is nevertheless providing an exchange access service to an IXC when it terminates calls delivered by that IXC via the AT&T network. And, since IXCs do not typically have direct connections with wireless carriers, an access tandem provider such as AT&T is usually involved in the routing of such calls.

Q. Will Sprint deliver calls to AT&T's access tandem switch that are destined to an IXC?

A. No. With the exception of toll-free (8XX) calls, there are no instances when Sprint delivers its own originated traffic to a non-affiliated IXC. Even in the case of toll-free traffic, Sprint utilizes a third party to perform the database functions and routing necessary to complete those calls.

Q. Would the equal access trunks proposed by AT&T only be used to deliver calls from an IXC to Sprint?

A. Yes, and from Sprint's perspective, those calls would fall squarely within the meaning of exchange access, which 251(c)(2) clearly provides can be exchanged over the Interconnection Facility.

Q. What language does Sprint propose to resolve this issue?

A. Sprint proposes the following language to resolve this issue:

> 4.2.3 Type 2A Combined Trunk Groups: Provide a Trunk Side connection between Sprint's MSC and an AT&T ILLINOIS Access Tandem, where AT&T ILLINOIS is able to record Sprint-originated traffic to an IXC. Combined Trunk Groups carry IXC Exchange Access traffic and other Authorized Services traffic. This Trunk Group requires an interface utilizing equal access signaling. A separate Type 2A Equal Access Trunk Group is required when (a) Sprint originates traffic destined to an IXC via the AT&T ILLINIOIS tandem and (b) the AT&T ILLINOIS tandem is not able to record such Sprint originated traffic to an IXC. Under such circumstances Sprint will also provide to AT&T lLLINOIS,

using industry standard data record formats, recordings of all calls (both Completed Calls and attempts) to IXCs from Sprint's network using Trunks employing the a Type 2A connection.

4.2.4 Type 2A Equal Access Trunk Groups: Provide a Trunk Side connection between Sprint's network and an AT&T ILLINOIS Access Tandem. Equal Access Trunk Groups carry Exchange Access to or from an IXC . This Trunk Group requires an interface utilizing equal access signaling.

4.2.4.1 In AT&T ILLINOIS a separate Type 2A Equal Access Trunk Group is required (a) when Sprint designates an AT&T ILLINOIS access tandem in the LERG as its serving access tandem or (b) when Sprint originates traffic destined to an IXC and the AT&T ILLINOIS access tandem is not able to record Sprint-originated traffic to an IXC. Under such circumstances Sprint will also provide to AT&T ILLINOIS, using industry standard data record formats, recordings of all calls (both Completed Calls and attempts) to IXCs from Sprint's network, using Trunks employing a Type 2A connection.

Issue 30 - Should AT&T's language regarding the routing of Exchange Access Service traffic be included in the Agreement?

Q. Please describe this Issue.

A. Issue 30 combines elements of the disputes contained in Issue 20 (appropriate use of the Interconnection Facility), Issues 39 and 40 (compensation for Toll and Non-Toll InterMTA traffic), Issue 8 (definition of Switched Access Service), and Issue 24 (requirement for Sprint to maintain separate Equal Access trunks). This issue also introduces a requirement for the parties to abide by the outcome of Ordering and Billing Forum ("OBF") Issue 2308-Recording and Signaling Changes Required to Support Billing.

Q. What is the crux of Issue 30?

A. Simply stated, this issue is just another manifestation of the fundamental dispute between the parties regarding the appropriate use of the Interconnection Facility. Specifically, because AT&T does not acknowledge that Sprint is entitled to utilize the Interconnection Facility for the receipt and delivery of exchange access traffic pursuant to Section 251(c)(2) of the Telecom Act, it seeks to require Sprint to maintain separate "Equal Access" trunks, which I discuss at length at Issue 8 and 24 . Therefore, the language AT&T proposes in Issue 30 seems to be the complement to that requirement to maintain separate equal access trunks – namely, that Sprint "shall not route traffic it receives from or through an IXC that is destined for AT&T Illinois' End Office Switches over the Interconnection Trunks provided by AT&T Illinois to Sprint pursuant to this Agreement." However, read literally, AT&T's proposed language is nonsensical since traffic Sprint "receives from or through an IXC" will never be "destined for AT&T Illinois' End Office Switches", therefore, it is unclear to Sprint exactly what AT&T intends by this proposed language.

Q. Does Sprint contend it is entitled to send and receive traffic to or from an IXC over the Interconnection Facility?

A. Yes. As I discuss at length in regards to Issue 24, traffic to or from an IXC is precisely what is contemplated by Section 251(c)(2) when Congress provided that an ILEC, such as AT&T, must provide interconnection "for the transmission and routing of telephone

exchange and exchange access." The traffic AT&T seeks to exclude from the Interconnection Facility falls squarely into "exchange access".

Q. What would AT&T gain by imposing such an exclusion?

A. By excluding exchange access traffic from the Interconnection Facility, AT&T would reap a financial windfall by requiring Sprint to maintain and pay 100% of the tariff based rates for separate facilities to carry equal access trunks even though there is no basis for such redundant facilities in the statute.

Q. Could AT&T require separate access trunks for billing purposes?

A. No. For traffic to or from an IXC, AT&T should be billing the IXC for any appropriate access charges, not Sprint. As I discussed at Issue 24, AT&T and Sprint would actually be providing jointly provided access for traffic to or from an IXC. Therefore, there is no need to maintain separate trunks to segregate the traffic for billing purposes.

Q. AT&T's Attachment 2, Section 4.10.4 states "Terminating InterMTA Traffic shall be routed over Sprint's Switched Access Services Trunks and Facilities (FG-D)." Do you agree with this proposed requirement?

A. No. First, AT&T's language is problematic because it could be interpreted to require yet a third set of facilities (i.e., in addition to the Interconnection Facility and facilities to carry AT&T's proposed Equal Access Trunks). That being said, as I demonstrate in Issue

39 and 40, Non-Toll InterMTA traffic is telephone exchange traffic and Toll InterMTA is exchange access, both explicitly within the scope of Section 251(c)(2) of the Act. Therefore, regardless of the appropriate compensation for InterMTA traffic, it is clear that InterMTA traffic can be exchanged over the Interconnection Facilities. Requiring separate switched access facilities is not only unnecessary but violates both the spirit and the letter of Section 251(c)(2). Moreover, AT&T's own proposed language demonstrates the gross inequity in its approach. AT&T requires Sprint originated InterMTA traffic to be routed to AT&T over separate FGD facilities while it allows for its own originated InterMTA traffic to be routed over the Interconnection Facility.

Q. Does AT&T's proposal to require the parties to abide by the outcome of Ordering and Billing Forum ("OBF") Issue 2308 have merit?

A. No. While AT&T's language seems innocuous on its face, it actually glosses over the more fundamental issues discussed elsewhere in my testimony.

Q. In what specific areas does Sprint disagree with a requirement to abide by OBF Issue 2308?

A. First, it would be presumptuous for the parties to agree to conform to a proposed industry guideline that has not been finalized. More importantly, however, the proposed resolution to OBF Issue 2308 is slanted towards AT&T's position on the application of access

charges to InterMTA Traffic, i.e., a geographic analysis that disregards whether Sprint actually charges a toll to its end user on a particular call delivered to AT&T.

Q. How does Sprint request the Commission to resolve this Issue?

A. Sprint believes if any additional trunks are necessary to carry traffic received from or sent to an IXC, such trunks would still be provisioned over the Interconnection Facility. Sprint proposes that the Commission adopt Sprint's language, as follows:

4.10.2 IXC Switched Access Service Traffic

4.10.3 Switched Access Service traffic between Sprint and the AT&T ILLINOIS Access Tandem or combined local/Access Tandem that Sprint elects to route to or receive from an Interexchange Carrier ("IXC") connected with such AT&T ILLINOIS Access Tandem or combined local/Access Tandem, shall be transported over an Equal Access Trunk Group. This arrangement requires a separate Trunk Group employing a Type 2 interface, when AT&T ILLINOIS is not able to record Sprint-originated traffic to an IXC. Sprint also will provide to AT&T ILLINOIS, using industry standard data record formats, recordings of all calls (both completed calls and attempts) to IXCs from Sprint's network, using Trunks employing a Type 2A interface. This Equal Access Trunk Group will be established for the transmission and routing of Switched Access Service traffic between Sprint's End Users and IXCs, via an AT&T ILLINOIS Access Tandem, or combined local/Access Tandem.

Point of Interconnection

Issue 15 - What is the appropriate definition of the "Point of Interconnection"?

Q. What is the nature of this disputed issue?

A. While not readily apparent from the Issue description or the proposed language, this issue really arises over the fundamental disagreement between the parties as to whether AT&T

must share a portion of the cost of the Interconnection Facility between the parties, which is addressed by Sprint witness Farrar at Issue 46.

Q. Does Sprint agree that the POI must be established on the LEC's network?

A. Yes. However, to refer to that point as the financial demarcation point (as AT&T does by its proposed insertion "and financially" in the POI definition) could lead to the inappropriate conclusion that AT&T is not required to share a portion of the cost of the Interconnection Facility that AT&T uses to route traffic from AT&T's network to Sprint.

Q. Is AT&T required to share the cost of the Interconnection Facility?

A. Yes and the arguments for this requirement are discussed further by Sprint witness Farrar at Issue 46.

Q. How does Sprint suggest the Commission resolve this issue?

A. If the Commission agrees with Sprint's position regarding Interconnection Facility cost sharing as articulated by Sprint witness Farrar at Issue 46, the Commission should adopt the following language to resolve this issue:

> 2.88 "Point of Interconnection ("POI")" means a point on the AT&T ILLINOIS network (End Office or Tandem building) where the Interconnection Facilities connect with the AT&T ILLINOIS network for the purpose of establishing Interconnection and also serves as a demarcation point between the facilities that each Party is physically responsible to provide.

Issue 16 - Must Sprint obtain AT&T's consent to Sprint's designation of a POI at a technically feasible location on AT&T's network or Sprint's removal of a previously established POI?

Q. Please describe this Issue.

A. The dispute captured by this Issue has been significantly narrowed since Sprint filed its Arbitration Petition. Specifically, the parties have agreed to remove from the language the concept that the location of the POI(s) must be negotiated. The issue now is simply whether Sprint may remove previously established POIs in the management and optimization of its network.

Q. Should Sprint be allowed to remove previously established POIs without AT&T's consent?

A. In general yes, particularly if the existing interconnection arrangement is not a "fiber-meet point" interconnection arrangement. In its existing interconnection arrangements, Sprint is not utilizing a "fiber-meet point" arrangement – Sprint uses leased facilities for interconnection. As the requesting carrier, Sprint is only required to maintain one POI in each LATA in which it provides service. To require Sprint to maintain more than one POI in a particular LATA would violate this well-established FCC principle. Additionally, a requesting carrier is entitled to interconnect in the manner that it deems most efficient and economical. Requiring Sprint to maintain additional POIs when it redesigns its network to eliminate the need for such POIs is contrary to both of the foregoing principles.

Q. What is the FCC rule that governs this issue?

A. Title 47, Section 51.305 of the Code of Federal Regulations describes the Interconnection obligations of incumbent LECs such as AT&T.

Q. Does this rule require a requesting carrier to establish or maintain a certain number of POIs within a given geographic area?

A. No. Furthermore, the FCC has recognized that a requesting carrier may interconnect with an ILEC in a given LATA via a single POI if the requesting carrier so chooses ("Single POI per LATA")[7].

Q. On this basis, is it reasonable to limit a requesting carrier's ability to decommission POIs if it deems appropriate?

A. No. As long as the requesting carrier maintains a minimum of one POI per LATA there should be no restriction on that carrier's ability to manage its network and points of interconnection with an ILEC such as AT&T as it sees fit. Moreover, Sprint is a large, established wireless carrier with a nationwide network and a long history of efficiently managing network resources. AT&T's intention to require Sprint to maintain unnecessary POIs and the related network facilities should not override Sprint's ability to

[7] *Developing a Unified Intercarrier Compensation Regime*, Notice of Proposed Rulemaking, 16 FCC Rcd. 9610, 9634-35, 9650-51 ¶¶ 72, 112 (2001).

548 design and maintain its network in the most efficient and economical manner as Sprint, in
549 its sole discretion, may determine.
550
551 **Q. With respect to a fiber-meet point interconnection arrangement, has the**
552 **Commission previously issued any decisions when a pre-existing POI can be**
553 **decommissioned?**
554 A. Yes. In the 2004 MCI Arbitration order, the Commission determined that MCI could not,
555 in its sole discretion, decommission a previously established fiber-meet point POI.[8]
556
557 **Q. Should the determination in the MCI case above be generally applicable such that it**
558 **applies in the case of leased facilities?**
559 A. No. The distinction between decommissioning a fiber-meet POI and decommissioning a
560 POI established using existing leased facilities is that in the case of an early
561 decommissioning of a specially constructed fiber meet point POI there could be a risk of
562 stranded ILEC investment. In that limited scenario, it might be prudent to require the
563 parties to confer prior to the requesting carrier decommissioning an existing fiber meet
564 point POI. The same consideration is not present in the case of leased facilities.

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[8] *MCI Metro Access Transmission Servs., Inc., MCI WorldCom Commc'ns, Inc., and Intermedia Commc'ns Inc. Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Ill. Bell Tel. Co. Pursuant to Section 252(b) of the Telecomm. Act of 1996,* Arbitration Decision, No. 04-0469, 88 (Nov. 30, 2004).

Therefore, Sprint does not agree that mutual agreement is required in order for Sprint to remove any previously established POIs using leased facilities.

Q. What language does Sprint propose to resolve this issue?

A. Sprint proposes the following language to resolve this issue:

> 2.2.1.4 Notwithstanding the foregoing, Sprint may establish a POI at any other technically feasible location on the AT&T ILLINOIS' network within the LATA or Sprint may remove any previously established POIs for Sprint network optimization, subject to the other requirements of this Section 2.2.

Issue 17 - Should Sprint be required to establish additional Points of Interconnection (POIs) when its traffic to an AT&T Tandem Serving Area exceeds 28 DS1s?

Q. What is the issue between the parties?

A. AT&T's proposed language would impose an artificial threshold of 28 DS1s, at which point Sprint would be required to establish an additional POI within an AT&T tandem serving area.

Q. Please summarize Sprint's position on this issue.

A. Federal law does not require Sprint to install additional POIs based on predetermined traffic thresholds. Sprint is entitled to determine the most efficient and economical way to interconnect with AT&T and to increase the number, or change the locations, of existing POIs.

Q. Please summarize AT&T's position on this issue.

A. AT&T has stated in the DPL that it believes it is "reasonable" for the ICA to obligate Sprint to establish a POI at an additional tandem in a Local Access and Transport Area ("LATA") when Sprint's traffic through the initial POI to that tandem serving area exceeds 28 DS1s at peak for a period of three consecutive months. AT&T's asserted rationale for imposing the requirement is to "promote facilities based competition".

Q. Do you agree that AT&T's proposal is "reasonable"?

A. No. First, Sprint disagrees with AT&T's contention that its proposal "promotes facilities-based competition". However, whether or not AT&T's proposal promotes facilities based competition is irrelevant because the FCC rules only require one POI per LATA. AT&T is really attempting to shift AT&T's interoffice transport costs by requiring Sprint to build further into AT&T's network at multiple locations, likely using facilities that Sprint would need to lease from AT&T. Whether I or AT&T believe their proposal is reasonable is irrelevant. The important point is that the FCC does not permit AT&T to create an artificial threshold at which Sprint would be required to establish an additional POI.

Q. What is the FCC rule that governs this issue?

A. As I stated at Issue 16 above, Title 47, Section 51.305 of the Code of Federal Regulations describes the Interconnection obligations of incumbent LECs such as AT&T. The FCC has interpreted this rule to mean that a requesting carrier need only establish one POI per LATA. [9]

Q. Does the FCC permit incumbent LECs to impose a threshold at which it can require requesting carriers such as Sprint to establish additional POIs?

A. No.

Q. Why is Sprint opposed to the creation of a contractual obligation that would require the establishment of separate POIs to additional AT&T tandems when the volume of traffic destined for an additional tandem exceeds 28 DS1s for a period of three consecutive months?

A. AT&T is impermissibly attempting to limit the application of the "Single POI per LATA" rule. The "Single POI per LATA" rule is an important right because it gives the requesting carrier control over where and when it chooses to interconnect with an ILEC. While a requesting carrier may indeed choose to establish additional POIs based on its

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[9] *Application by SBC Commc'ns Inc., Southwestern Bell Tel. Co., & Southwestern Bell Commc'ns Servs., Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecomm. Act of 1996 To Provide In-Region, InterLATA Services in Texas*, Memorandum Opinion & Order, 15 FCC Rcd. 18354, 18390 ¶ 78 (2000); *Developing a Unified Intercarrier Compensation Regime,* Notice of Proposed Rulemaking, 16 FCC Rcd. 9610, 9634-35, 9650-51 ¶ 72, 112 (2001).

determination of what may be economically advantageous, it cannot be forced to incur additional costs by its competitor that is already getting paid a TELRIC-based rate which includes reasonable profits.

Q. As traffic volumes increase does Sprint realize increased capacity requirements in its network?

A. Certainly, but Sprint does not ask AT&T to establish and pay for additional facilities deeper within the Sprint network. As traffic volumes increase, which, as the FCC has recognized, benefits the end users of both the originating and terminating party,[10] Sprint should not be required to foot the bill for the increased capacity requirements on its own network and AT&T's network, too!

Q. What language does Sprint propose to resolve this issue?

A. The parties have agreed that Sprint will establish a minimum of one Sprint-designated POI in each LATA where the parties exchange traffic (Section 2.2.1.1 of Attachment 2). AT&T's additional language is contrary to law and is unnecessary.

InterMTA Issues

[10] *CAF Order*, 26 FCC Rcd. at 17676 ¶ 34.

Issue 7 - What are the appropriate definitions related to "InterMTA Traffic"?

Issue 39 - What is the appropriate compensation for Non-Toll InterMTA Traffic?

Issue 40 - What is the appropriate compensation for Toll InterMTA Traffic?

Issue 41 - Is either Party entitled to collect compensation on any of its originated traffic? If so, what originated traffic is subject to such compensation and at what rate?

Q. Please describe these InterMTA Issues.

A. Sprint's proposed definition of "InterMTA Traffic" properly recognizes that the termination of such traffic is not necessarily subject to tariffed access charges and the determination of whether access charges apply hinges on whether the originating party assesses a usage-based "toll" charge to the end-user that makes such a call. Moreover, aside from the Toll vs. Non-Toll aspect of this issue, AT&T apparently believes it is entitled to bill Sprint for InterMTA traffic that originates from Sprint, but also for the InterMTA Traffic that AT&T itself originates.

Q. What is InterMTA Traffic?

A. Simply stated, InterMTA traffic are calls originated by the customer of one party in one major trading area, or MTA, and terminated by the customer of the other party in another MTA. In the context of this Agreement, it is limited to the InterMTA Traffic exchanged over the Interconnection Facility.

Q. Has the FCC ever promulgated a rule stating that access charges apply to InterMTA traffic?

A. No. The FCC has never promulgated such a rule. In fact, as I explain later, in light of the statutory definitions, it is not clear that the FCC could even authorize the imposition of access charges on non-toll traffic. Nonetheless, if the application of access charges upon InterMTA traffic was as definitive as AT&T asserts (without any supporting authority), it would have been easy for the FCC to promulgate a rule that affirmatively and directly states that access charges are applicable to all InterMTA traffic. AT&T cannot cite to such a rule because such a rule does not exist.

Q. Why is there the common misconception that InterMTA traffic is by definition subject to access charges?

A. I believe that the IntraMTA rule (stating that IntraMTA traffic is subject to reciprocal compensation) has been misconstrued and distorted to also mean that all non-IntraMTA traffic is subject to access charges.

Q. May a LEC like AT&T-Illinois impose access charges for terminating Sprint's Non-Toll InterMTA mobile-to-land traffic?

A. No, access charges are not appropriate for such non-toll traffic. As I will explain further below, under both the Act and the FCC's implementing rules, AT&T's termination of Sprint's Non-Toll InterMTA traffic is instead subject to reciprocal compensation. It

bears repeating that, while the FCC has adopted a rule prohibiting local exchange carriers ("LECs") from imposing access charges in connection with terminating IntraMTA wireless traffic (see 47 C.F.R. § 51.701(b)(2)), it has never adopted a corollary rule that requires wireless carriers to pay LEC access charges when LECs terminate InterMTA wireless traffic.

Q. If there is no explicit rule regarding the application of access charges on InterMTA traffic, how does Sprint reach its conclusion that a LEC may impose access charges on only terminating Toll InterMTA traffic?

A. In order to answer this question, I need to start by providing some background concerning the Telecom Act of 1996 and the temporary preservation and application of access charges pursuant to Section 251(g) of that Act.

Q. How did Congress preserve access charges when it enacted the Telecom Act of 1996?

A. Congress added Section 251(b)(5) to the Communications Act in 1996. This statute imposes on each LEC, such as AT&T, the duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications. The FCC has held that Section 251 requires LECs to establish reciprocal compensation arrangements for all telecommunications without exception:

> "Unless subject to further limitation, section 251(b)(5) would require reciprocal compensation for transport and termination of all telecommunications traffic."[11]

In this regard, the FCC has explicitly confirmed that this reciprocal compensation statute even "applies to traffic that traditionally has been classified as access traffic."[12]

The FCC has recognized only one exception to this LEC duty to establish reciprocal compensation arrangements for the exchange of all traffic – namely, traffic subject to the grandfather provision contained in Section 251(g):

> We conclude that a reasonable reading of the [Act] is that Congress intended to exclude the traffic listed in subsection (g) from the reciprocal compensation requirements of subsection (b)(5).[13]

The FCC further determined that Congress intended this subsection (g) "carve out provision" would be temporary only. [14] Section 251(g), on its face, is limited in scope to a LEC's provision of exchange access to interexchange carriers. The FCC similarly has

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[11] *2001 ISP Remand Order*, 16 FCC Rcd 9151, 9165-66 ¶¶ 31-32 (2001)(italics in original), *rev'd and remanded on other grounds, WorldCom* v. *FCC*, 288 F.3d 429 (D.C. Cir. 2002). *See also 2008 ISP Remand Order*, 24 FCC Rcd 6475, 649-80 ¶ 8, 6482-83 ¶¶ 15-16 (2008), *aff'd Core* v. *FCC*, 592 F.3d139 (D.C. Cir. 2010); *USF/ICC Transformation Order*, 26 FCC Rcd 17663, 17915 ¶¶ 761-62 (2011), *appeal pending*, No. 11-9900 (10th Cir.).

[12] *CAF Order*, 26 FCC Rcd at 17915 ¶ 762.

[13] *2001 ISP Remand Order*, 16 FCC Rcd at 9166 ¶ 34.

[14] *Id.* at 9166 ¶ 34 and *2008 ISP Remand Order*, 24 FCC Rcd at 6480 ¶ 9. Federal appellate courts have agreed that Section 251(g) is "worded simply as a transitional device, preserving various LEC duties that antedated the 1996 Act." *See WorldCom* v. *FCC*, 288 F.3d 429, 430 (D.C. Cir. 2002). Federal courts have further held that the FCC does not possess the authority to enlarge the types of services that fall within the scope of this grandfather provision. *See id.* at 433.

recognized that the services subject to the Section 251(g) grandfather provision are limited to exchange access services:

> Before Congress enacted the 1996 Act, LECs provided access services to IXCs and to information service providers in order to connect calls that travel to points – both interstate and intrastate – beyond the local exchange. . . . It makes sense that Congress did not intend to disrupt these pre-existing relationships. Accordingly, Congress excluded all such access traffic from the purview of section 251(b)(5).[15]

In conclusion, after the Telecom Act of 1996, access charges continued to be applicable only for that traffic that was subject to access charges prior to its enactment – exchange access traffic.

Q. Didn't the FCC in its recent CAF Order supersede Section 251(g) by establishing new "transitional access charge" rules under Section 251(b)(5)?

A. It did, stating:

> "In this Order, we explicitly supersede the transitional access charge regime and, subject to the transition mechanism we outline below, regulate terminating access traffic in accordance with the section 251(b)(5) framework."[16]

The FCC also made clear that its new transitional access service rules contained in Part 51, Subpart J apply only to LEC exchange access services. For example, new Rule 51.901(b) states that "the provisions of this subpart apply to reciprocal compensation for telecommunications traffic exchanged between telecommunications providers that is

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15 *2001 ISP Remand Order,* 16 FCC Rcd. at 9168 ¶ 37.

16 *CAF Order,* 26 FCC Rcd 17916 ¶ 764.

interstate or intrastate *exchange access*."[17] Similarly, these new rules define "access reciprocal compensation" as traffic "exchanged between telecommunications service providers that is interstate or intrastate *exchange access*."[18] Importantly, as noted below, the definition for exchange access was not changed – it still requires a toll charge.

Q. How is the term "exchange access" defined, as that term is used in Section 251(g) and in the FCC's new "transitional access service" rules?

A. Congress has defined the term "exchange access" in Section 153(16) of the Act:

> The term "exchange access" means the offering of telephone exchange services or facilities for the purpose of the origination or termination of *telephone toll services*."[19]

In turn, Congress defined the term "telephone toll service" as follows:

> The term "telephone toll service" means telephone service between stations in different exchange areas for which there is made *a separate charge* not included in contracts with subscribers for exchange service."[20]

Telephone toll service is, in colloquial terms, a long distance calling service. But under the Communications Act of 1934, it is only long distance service *for which the provider charges extra*.

Q. How do these definitions relate to wireless carriers' calling plans?

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[17] *See* 47 C.F.R. § 51.901(b)(italics added).

[18] *See id.* at 51.903(h)(italics added).

[19] 47 U.S.C. § 153(16)(italics added).

[20] *See id.* at § 153(47)(italics added).

A. As discussed further below, the FCC has explicitly recognized that wireless carriers do not provide any toll service with their *national* flat-rated service plans.[21] If wireless carriers do not apply a separate toll or long distance charge with such plans (including with respect to InterMTA traffic), it necessarily follows that LECs like AT&T are not providing "exchange access" in terminating such InterMTA calls. And if LECs are not providing "exchange access," then the appropriate intercarrier compensation for such InterMTA traffic is governed, not by the Section 251(g) grandfather provision or the FCC's new "transitional access charge" rules, but rather by the reciprocal compensation statute, Section 251(b)(5).

Q. Is Sprint's position compatible with the FCC's 1996 *Local Competition Order*?

A. Yes. Sprint's position is fully compatible with the *Local Competition Order*. Admittedly, this Order contains the following quote, which can be misconstrued:

> Accordingly, traffic to or from a CMRS network that originates and terminates within the same MTA is subject to transport and termination rates under section 251(b)(5), rather than interstate and intrastate access charges.[22]

Even this statement DOES NOT say InterMTA Traffic is subject to access charges – it simply says that IntraMTA Traffic is not. While ILECs would naturally like to infer that

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[21] *Universal Service Contribution Methodology*, 23 FCC Rcd. 1411, 1415-16 ¶ 9 (2008) ("Wireless Toll Declaratory Order").

[22] *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, First Report and Order, 11 FCC Rcd. 15499, 16014 ¶ 1036 (1996) ("Local Competition Order"). *See also id.* at 1601 ¶ 1042 (same).

this statement *must* mean access charges automatically apply to InterMTA Traffic, which is not what this statement actually says. It is important to note that at the time the FCC released its Local Competition Order, most, if not all, wireless InterMTA traffic was properly classified as a toll service under the Act – so that these InterMTA toll services were subject to access charges. Specifically, in 1996, no wireless carrier offered a national, flat-rated service plan; rather, most wireless carriers only offered regional plans to the public. Such regional plans typically involved a metropolitan or larger area. For example, the Chicago wireless local calling area might have included portions of southeast Wisconsin and northwest Indiana. A subscriber to one of these regional plans paid only an airtime charge for calls originating and terminating within the designated "home" local calling area. However, for calls to people located outside this region (say, New York City or San Francisco), the wireless customer would pay two separate fees for making the call: airtime plus a long distance charge. For these "inter-region" calls, wireless carriers were providing a toll service under the Act because their customers paid "a *separate charge* not included in contracts for exchange [or intra-region] service."

The wireless landscape changed fundamentally in 1998 when Sprint and other wireless carriers introduced nationwide, flat-rated calling plans.[23] Specifically, with such

[23] *See, e.g.*, Communications Daily, *AT&T Wireless Joins Sprint PCS in Single-Rate Offer, But Adds Contracts* (May 8, 1998); Communications Today, *AT&T Launches National One-Rate Wireless Plan* (May 8, 1998); Radio Communications Report, *No Roaming Charges Is Key to AT&T's One-Rate Calling Plan* (May 11, 1998).

wireless plans, there is only one local calling area (or in landline parlance, one wireless "exchange") and that local calling area is coextensive with the boundaries of the U.S. In other words, the customer's home calling area is the entire country. And with these national one-rate plans, a customer is assessed only an airtime charge for calling another person – whether that person happens to be located across the street from the caller or on the other side of the country. For all calls originated from that mobile user and destined to someone located anywhere in the U.S. (including InterMTA calls), the customer pays only an airtime charge for the call – and unlike with regional service plans, customers are no longer assessed any long distance (or "toll") charges. Effectively, for these nationwide plans, the service provided by the wireless carrier is a telephone exchange service.[24]

Q. Has the FCC ever analyzed the status under the Act of national flat-rated wireless plans?

A. Yes. In 2008, in response to a wireless industry request for clarification, the FCC confirmed that wireless calls are appropriately classified as "toll" only if wireless customers are assessed an additional charge for making such calls. The FCC began its analysis by reviewing the plain language of the Act:

> [S]ince 1934, the Act's definition of "telephone toll traffic" has included the concept of "a separate charge." * * * Toll services can thus be de-fined as telecommunication services, regardless of how provisioned, that enable the

[24] *Local Competition Order* at ¶ 1004.

> customer to call points outside the customer's plan-defined home calling area for an additional charge.[25]

According to the FCC, whether a wireless carrier provides a toll service depends on the size of the customer's "home" calling area (local, regional or national) and whether there is an additional charge for calls outside that home area:

> Although some wireless plans may include an additional airtime charge that is the same for local and long distance calls, and therefore does not represent a toll service charge, other plans assess an additional charge that applies only to calls to points outside of the customer's plan-defined home calling area, that is, a toll charge.[26]

Based on its reading of the Act, the FCC concluded that wireless carriers do offer toll service when their customers subscribe to regional calling plans (such as the Chicago example discussed above) "*to the extent they charge additional fees* beyond the airtime charges for calls to points outside the plan-defined home calling area."[27] The FCC also confirmed that wireless carriers do not offer any toll services domestically with their nationwide, flat-rated plans:

> [N]ationwide, fixed-price calling plans that give the customer fixed amounts of minutes, and do not distinguish between local, intrastate, or interstate service, must be identified as toll service revenue only to the extent that additional fees are assessed for calls made to points outside the plan-defined home calling area. For these [national] plans, toll service revenue would likely be limited to charges associated with international calling.[28]

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[25] *Wireless Toll Declaratory Order,* 23 FCC Rcd 1411, 1415-16 ¶¶ 8-9 (2008).

[26] *Id.* at 1416 ¶ 9.

[27] *Id.* at 1417 ¶ 11. (Emphasis added)

[28] *Id.* at 1416 ¶ 10.

Q. Didn't the FCC state in its 2008 *Wireless Toll Declaratory Order* that its holding was limited to universal service and not to intercarrier compensation?

A. Yes. The FCC stated:

> The discussion of "toll services," "toll traffic," and "toll revenues" in this order pertains solely to universal service contribution obligations. Nothing in this order is intended to address intercarrier compensation and other issues raised in CC Docket No. 01-92.[29]

Q. Did the FCC, however, subsequently utilize this same analysis in the context of intercarrier compensation in the *CAF Order*?

A. Yes. The FCC used this very same analysis in the context of intercarrier compensation in the recent *CAF Order*:

> The Act defines "telephone toll service" as "telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscriber for exchange service." 47 U.S.C. § 153(55). The Commission previously has described toll services as "services that enable customers to communicate outside of their local exchange calling areas," and that, *for wireless providers, this means outside the customer's plan-defined home calling area*.[30]

Based on its reading of the Act, the FCC held that LECs may impose access rates for toll VoIP-PSTN traffic, but that to the extent VoIP-PSTN traffic is not 'toll' traffic, it is subject to the preexisting reciprocal compensation regime under section 251(b)(5):

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29 *Id.* at 1411, 1416 n.29.

30 *CAF Order*, 26, FCC Rcd 17663, 18008 n.1902 (2011). (Emphasis added)

> "The default rate applicable to all non-toll VoIP-PSTN traffic is whatever rate applies to other section 251(b)(5) traffic exchanged between the carriers".[31]

Given the FCC's conclusion in its *Wireless Toll Declaratory Order* that wireless carriers do not provide toll services with their national, flat-rated plans, and the application of this analysis *as to compensation* in the *CAF Order*, it has now been clearly confirmed that non-toll traffic is subject to the reciprocal compensation regime under Section 251(b)(5), not 251(g) transition access charges.

Q. Does Sprint assess a toll charge on its wireless plans?

A. No, except in rare instances where customers have maintained outdated "legacy" plans. The "local" calling area for the vast majority of Sprint customers is the entire United States. That has not always been the case. In the late 1990's, Sprint did charge separately for calls that went outside a customer's "home calling area". However, beginning in 1998, the wireless industry began moving away from charging customers for "long distance" to an all-distance model that treated all calls the same, regardless of where they terminated within the United States. However, it took time for wireless customers to migrate to these nationwide calling plans.

[31] *Id.* at 18008 n.1903, 18017 ¶ 958, and 18018 ¶ 960.

Q. Please summarize Sprint's position regarding the governing compensation regime that applies when a LEC like AT&T terminates a Non-Toll InterMTA mobile-to-land call.

A. Non-Toll InterMTA traffic is not subject to access charges. Under Section 251(g) of the Act and the FCC's new "transitional access charge" rules, a LEC may impose access charges only when it is providing "exchange access." However, Congress has been clear that a LEC provides exchange access only if it terminates a "toll" call, and the FCC has squarely ruled that wireless carriers like Sprint do not provide a toll service with their national, flat-rated service plans. Accordingly, AT&T's termination of these Non-Toll InterMTA calls is instead governed by reciprocal compensation.

Q. Is there a practical reason why Sprint's InterMTA traffic should be terminated on a bill-and-keep basis?

A. Yes. These are calls handed off between the parties without the involvement of an IXC between the two parties. There is no dispute that AT&T performs the exact same terminating function whether the call is IntraMTA or InterMTA – the transport and termination functions associated with reciprocal compensation. In fact, AT&T's response to Sprint Data Request ATT-8 in this proceeding makes clear that AT&T performs identical network functions whether terminating an IntraMTA or an InterMTA call. Sprint is not purchasing a Feature Group D switched access service from AT&T.

Q. What language does Sprint propose to resolve Issue 7?

A. Sprint proposes the following language to resolve this issue:

> 2.94.2 "Non-Toll InterMTA Traffic" means that portion of Section 251(b)(5) traffic exchanged between AT&T ILLINOIS and Sprint that (1) at the beginning of the call, originates on the network of one Party in one MTA and terminates on the network of the other Party in another MTA, (2) is not Toll InterMTA Traffic and (3) is exchanged directly over the Interconnection Trunks.

> 2.94.3 "Toll InterMTA Traffic" means that portion of Section 251(b)(5) traffic exchanged between AT&T ILLINOIS and Sprint that (1) at the beginning of the call, originates on the network of one Party in one MTA and terminates on the network of the other Party in another MTA (2) is interstate or intrastate exchange access, information access, or exchange services for such access, other than special access (Section 51.901(b)) and (3) is exchanged directly over the Interconnection Trunks.

Q. Do you have any understanding of how much of Sprint's wireless traffic is toll?

A. The vast majority of Sprint's customers are on plans that include nationwide calling at no additional charge. For the month of October, 2012, the percentage of billed domestic wireless toll revenue is less than one-half of one percent (i.e., 0.5%) of the total billed domestic wireless revenue. This is consistent with the fact that the vast majority of Sprint's customers are on plans that include nationwide calling at no additional charge.

Q. If Sprint recognizes that there is some toll traffic, why does Sprint propose that InterMTA traffic be exchanged on a bill and keep basis?

A. Sprint proposes bill and keep for two reasons. First, Sprint's language recognizes that both parties send InterMTA traffic to the other over the Interconnection trunks. Sprint

does not believe that it is administratively efficient to continue to attempt to identify subcategories of traffic. Second, the volume of either party's Toll InterMTA traffic is de minimis, and the administrative cost of determining the amount of Toll InterMTA traffic does not warrant a charge.

Q. What language does Sprint propose to resolve Issue 39?

A. Sprint proposes the following language to resolve this issue:

> 6.2.2.2 Non-Toll Inter MTA Traffic, originated on the Parties' networks and exchanged between the Parties both directly and indirectly will be bill and keep. Specifically, each Party will bill its End Users for the Non-Toll InterMTA Traffic originated by such Party and will be entitled to retain all revenues from such traffic without payment of further compensation to the other Party.

Q. What language does Sprint propose to resolve Issue 40?

A. Sprint proposes the following language to resolve this issue:

> 6.2.2.3 Toll InterMTA Traffic originated on the Parties' networks and exchanged directly between the Parties will be billed by the terminating Party and compensated by the originating Party at the applicable transition interstate switched access rate as identified in the Pricing Sheet to this Agreement. The Parties acknowledge, however, that the amount of Toll InterMTA traffic, if any, is de minimis and, accordingly, will be treated the same as Non-Toll InterMTA Traffic.

Q. What is in dispute in Issue 41?

A. The dispute in Issue 41 is the natural outcome of the fundamental dispute over the appropriate compensation treatment for InterMTA traffic. Since AT&T's position is that

InterMTA traffic is by definition subject to access, it follows that AT&T believes it is entitled to assess originating access charges to Sprint on AT&T-originated InterMTA traffic.

Q. What is the nature of most of the AT&T-originated InterMTA calls delivered directly from AT&T to Sprint over the Interconnection Facilities?

A. Most, if not all, AT&T-originated InterMTA calls delivered directly from AT&T to Sprint over the Interconnection Facilities are dialed as "local" calls, i.e., non-toll. In other words, because of the mobile nature of Sprint's customers, the originating caller has no idea when she places the call that the called party is not within the local exchange. In fact, neither does AT&T. AT&T simply delivers the call to Sprint at the nearest point of interconnection and Sprint hauls the call to the terminating customer wherever that customer happens to be traveling. As an example, assume an AT&T customer in Chicago wants to call a Sprint customer with a Chicago telephone number. AT&T transports the call attempt from its originating end office to Sprint's point of interconnection ("POI") with AT&T in the originating LATA for delivery to Sprint over the Interconnection Facility. Sprint then assumes responsibility to deliver the call attempt to its customer in the Chicago MTA. AT&T does not charge Sprint to receive this call because the two carriers are now exchanging IntraMTA traffic under a bill-and-keep arrangement. Now assume this same AT&T customer wants to call the same Sprint customer, but this time the Sprint customer happens to be traveling in New York City.

The call is still handled *exactly* the same way.[32] Specifically, AT&T transports the call attempt from its originating end office to Sprint over the Interconnection Facility, where Sprint assumes responsibility for delivering the call attempt to its customer – in this case, in New York City. With this call attempt, Sprint assumes the responsibility – and cost – of transporting the call from Chicago to New York City. It is these locally-dialed land-to-mobile "traveling" calls that AT&T believes are subject to originating access charges from Sprint.

Q. Is AT&T entitled to impose originating access charges when its customers dial a local, seven-digit Sprint telephone number if the Sprint customer happens to be traveling outside the "home" MTA at the time of the call?

A. No. As I explain below, AT&T has not shown – and cannot show – that, in this situation, it is providing "exchange access" under the Act and that as a result, it may lawfully impose originating access charges on Sprint. The exchange of such traffic is rather governed by the reciprocal compensation rules.

For context, in the *CAF Order*, the FCC adopted a plan to phase out LEC access charges so that all traffic is instead exchanged using bill-and-keep. While the FCC did not adopt a transition plan for originating access charges, it did cap all access charges imposed by

[32] See AT&T response to Data Request Sprint ATT-7 and Attachment Sprint DR 7(a)-1.

price cap ILECs and further held that originating access charges "also should ultimately be subject to the bill-and-keep framework."[33]

AT&T itself supports the elimination of LEC access charges so bill-and-keep would be used for the exchange of all traffic.[34] Now, however, AT&T believes it is entitled to originating access charges, within a 251 interconnection agreement, when its customers dial a local, seven-digit telephone number to call a Sprint wireless customer who, at the time of the call, happens to be traveling outside of the customer's "home" MTA. Sprint demonstrates below that the Telecom Act precludes this Commission from adopting this AT&T proposal.

Q. Is Sprint acting as an IXC on any AT&T-originated calls?

A. No.

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[33] *See CAF Order*, 26 FCC Rcd 17663, 17942 ¶¶ 817-18 (2011).

[34] See, e.g. AT&T Reply Comments, WC Docket No. 10-90, CC Docket No. 01-92, et al. (May 23, 2011). See also id. at 3 ("The Commission should harmonize today's divergent intercarrier charges, reduce them, and ultimately eliminate them in favor of a detail bill-and-keep regime for PSTN traffic."); id. at 3 ("As AT&T has explained, that [bill-and-keep] regime is not only lawful, but also a far better policy option than the existing CPNP regime."); id. at 15 ("AT&T supports moving toward bill and keep on the PSTN."); id at 21 ("The Commission should adopt AT&T's proposal for reducing and ultimately eliminating intercarrier compensation for PSTN traffic."); id at 22 ("There is no legitimate legal or policy rational for rejecting a transition toward bill and keep for PSTN traffic,"); id. at 22 (Bill-and-keep "is a highly efficient default end state for PSTN traffic.")

Q. Does Sprint assess an additional charge – i.e., a toll charge - to AT&T customers for the carriage of AT&T-originated calls?

A. No.

Q. What is the fundamental flaw with AT&T's position?

A. AT&T asserts that this traffic is "access" traffic, even though there is no toll charge associated with such traffic. Such traffic is nothing more than telephone exchange service traffic, for which each party provides its own customers the ability to originate or terminate a call. If AT&T believes it is entitled to impose originating access charges on Sprint, it must first demonstrate it is providing exchange access so as to justify such charges. As noted above in my discussion of Issues 7, 39, and 40, Congress has defined exchange access as the offering of telephone exchange facilities for "the origination or termination of telephone toll service," and to constitute a telephone toll service, there must be "a separate charge not included in contracts with subscribers for exchange service."[35] Yet, in seeking to impose access charges on Sprint, AT&T never identifies the toll service that Sprint supposedly provides to either its own wireless customers or to an AT&T customer that originates the call.

[35] *See* 47 U.S.C. § 153(16) and § 153(47).

In fact, Sprint does not provide a "toll service" in giving its customers the ability to receive any calls on their mobile phone when they travel around the country. A Sprint customer when traveling – whether New York City, Los Angeles or anywhere else in the U.S – is (a) assessed only an airtime charge when the customer receives a call, and (b) that airtime charge is billed at the same rate the customer pays in receiving a call while at home. There is no separate, additional charge when the customer receives a land-to-mobile call while traveling.

As discussed above in Issue 39, the FCC squarely ruled in its 2008 *Wireless Toll Declaratory Order* that wireless carriers do not provide a toll service when they do not bill customers a charge other than airtime. If Sprint is not providing a toll service, then AT&T cannot be providing an "exchange access" service to Sprint under the Act, and it cannot bill originating access charges for any of its land-to-mobile calls.

Q. Does the fact that Sprint hauls the call across an MTA boundary justify AT&T's position that it is entitled to assess access charges to Sprint on such calls?

A. Based on the discussion above, absolutely not. Moreover, Sprint is incurring the additional cost to transport the call to the distant termination point and receives no incremental revenue for doing so.

Q. Are you saying that Sprint should be able to assess access charges to AT&T in this situation?

A. Not necessarily. To be consistent, Sprint does not believe that either party should assess access charges on an InterMTA call for which no toll charge is assessed to the originating end user. However, to the extent the Commission finds AT&T is permitted to assess terminating access charges on Sprint for any Sprint-originated Non-Toll InterMTA traffic, it is only fair, reasonable and non-discriminatory for Sprint to be entitled to assess like charges on AT&T for the inverse traffic that Sprint terminates for AT&T customers.

Q. For the sake of discussion only, even if Sprint were to be considered an IXC for the purpose of carrying an AT&T customer originated call, who would be Sprint's "customer"?

A. Logically, AT&T. Sprint is providing AT&T a wholesale termination service that enables AT&T to, in turn, provide a bundled service to AT&T's own customers that ensures an AT&T customer-originated call destined for a Sprint end user will be completed.

Q. What language does Sprint propose to resolve Issue 41?

A. Sprint proposes the following language to resolve this issue:

> 6.1 An originating Party will only compensate the terminating Party for traffic originated by the originating Party. Under no circumstances will a Party be charged for traffic originated by the other Party.

Other Compensation Issues

Issue 36 - What categories of Authorized Services traffic are subject to compensation between the Parties?

Q. Please describe this issue.

A. Sprint's language recognizes that to determine what, if any, compensation may be due on traffic exchanged between the Parties that does not involve an IXC, exchanged traffic falls into one of the following four categories: (1) IntraMTA; (2) Non-Toll InterMTA; (3) Toll InterMTA; or, (4) Transit. AT&T's overall compensation language is overly complex and confusing, containing both ambiguity and erroneous compensation treatment as to some traffic categories.

Q. Specifically, what does Sprint find objectionable about AT&T's approach?

A. First, in Attachment 2, Section 6.1.1 AT&T suggests there are three categories of traffic – "IntraMTA Traffic, IXC traffic, or InterMTA Traffic". Sprint agrees with the first ("IntraMTA Traffic") and third ("InterMTA Traffic") categories, although, as I discussed in more detail in Issues 39 and 40, compensation for InterMTA Traffic turns upon whether such traffic is "Toll" or "Non-Toll" traffic. As to AT&T's second proposed category, i.e., "IXC traffic", AT&T does not provide any definition or description regarding what such a category would even include. Further compounding the confusion, AT&T lists 7 categories of traffic that are "excluded" from bill and keep in Attachment 2,

Section 6.2.3.1. Such exclusions are either unnecessary or patently incorrect, as indicated below:

- 6.2.3.1 – AT&T requires IntraMTA traffic to be exchanged over Interconnection Facilities in order to be subject to bill and keep. Bill and keep, however, applies to all IntraMTA Traffic, even that which is exchanged indirectly.
- 6.2.3.1.1 – AT&T includes an exclusion for Non-CMRS Traffic. The parties, however, already addressed this exclusion in the language that resolved Issue 1(b) [36] and a specific exclusion here is unnecessary.
- 6.2.3.1.2 – AT&T includes an exclusion for Toll-Free Calls. Regarding compensation between the parties, such traffic is already bill and keep. Any compensation resulting from this type of call is due from the IXC providing the Toll-free service.
- 6.2.3.1.3 – AT&T includes an exclusion for Third-Party Traffic. It is unclear what this exclusion really means. To the extent AT&T intends to address Transit Traffic, such traffic is already addressed in Attachment 2, Section 5.

[36] Attachment 2, Section 3.11.2.1 and 3.11.2.1.1.

- 6.2.3.1.4 – AT&T excludes all InterMTA Traffic. I discussed compensation for InterMTA Traffic in more detail in Issues 39 and 40. Non-Toll InterMTA Traffic is telephone exchange service, essentially the same as IntraMTA telephone exchange service. Therefore, the Commission should determine that this traffic should be exchanged on a bill and keep basis the same as IntraMTA Traffic.

- 6.2.3.1.5 – AT&T includes an exclusion for "IXC Traffic". As indicated above, AT&T does not offer a definition or description as to what this category might include. Regardless what AT&T intends, either party's traffic to or from an IXC is exchange access traffic that, as between the parties, is not subject to compensation. Any compensation resulting from this type of call is due from the IXC.

- 6.2.3.1.6 – AT&T includes a "catch-all" exclusion for "any other type of traffic found to be exempt from bill-and-keep by the FCC or the Commission." While Sprint intends to comply with any future FCC or Commission action, the parties have already accounted for such eventuality in the Intervening Law provisions contained in Section 21 of the General Terms and Conditions of the Agreement.

To summarize, aside from transit traffic, as between the parties, there are only two categories of traffic – IntraMTA Traffic and InterMTA Traffic. For purposes of intercarrier compensation, within InterMTA Traffic, there are only two subcategories – Toll and Non-Toll.

Q. What language does Sprint propose to resolve this issue?

A. Rather than categories and exclusions as proposed by AT&T, Sprint believes that this issue can be resolved in a simpler, more straightforward manner, particularly since none of AT&T's exclusions are warranted. Sprint proposes the following language to resolve this issue:

> 6.2 Classification of Authorized Services Traffic Usage.
>
> 6.2.1 Authorized Services traffic exchanged between the Parties pursuant to this Agreement will be classified as (a) IntraMTA Traffic, (b) Non-Toll InterMTA Traffic, (c) Toll InterMTA Traffic, or (d) Transit Service Traffic.

Issue 5 - What is the appropriate definition of "Section 251(b)(5)" traffic?

Q. Please describe this issue.

A. AT&T objects to Sprint's proposed definition for Section 251(b)(5) Traffic and argues that such term is only necessary as it is used in Sprint's proposed definitions for IntraMTA Traffic and InterMTA Traffic addressed in Issues 6 and 7, respectively.

Q. Why is the term "251(b)(5) Traffic" necessary?

A. The term "Section 251(b)(5) Traffic" is necessary in that it recognizes, pursuant to the CAF Order, all traffic now falls within the Section 251(b)(5) of the Telecom Act.

Q. Does AT&T have any other objection to Sprint's proposed definition?

A. Yes, apparently AT&T believes Sprint's proposed definition is inaccurate. AT&T states in the DPL that not all traffic exchanged between the parties is covered by Section 251(b)(5) and points to 911 traffic as an example. It is not apparent to Sprint why AT&T claims that 911 traffic is not 251(b)(5) traffic in that there is no dispute that 911 traffic is exchanged on a bill and keep basis anyway.

Q. Do you agree that there are certain categories of traffic that do not fall within 251(b)(5)?

A. No. In fact, ¶ 762 of the *CAF Order* explicitly states "[c]onsistent with our approach to comprehensive reform generally and the desire for a more unified approach, we find it appropriate to bring all traffic within the section 251(b)(5) regime at this time."

Q. What language does Sprint propose to resolve this issue?

A. Sprint proposes the following language to resolve this issue:

> 2.94 Section 251(b)(5) Traffic" means traffic originated by one Party that is exchanged directly or indirectly and terminates on the other Party's network.

Issue 6 - What is the appropriate definition of "IntraMTA Traffic"?

Q. Please describe this issue.

A. There are two primary components to this issue. First, AT&T objects to Sprint's paradigm that all traffic is "Section 251(b)(5) Traffic" and IntraMTA Traffic is simply a subset under this larger umbrella. Second, AT&T has proposed that IntraMTA Traffic only includes traffic "exchanged between the End User of AT&T Illinois and Sprint's End User."

Q. Why is AT&T's proposed language ("exchanged between the End User of AT&T Illinois and Sprint's End User") objectionable to Sprint?

A. On its face, this language may not seem objectionable, however, historically AT&T has not considered calls that are dialed 1+ and handed off to an IXC to be its traffic but rather the IXC's traffic. This may not be as much of an issue since the FCC has ordered that bill and keep be the default compensation on CMRS calls, however, to the extent the CAF Order is ever reversed, Sprint should be entitled to bill AT&T for IntraMTA calls even when they are delivered by an IXC.

Q. What language does Sprint propose to resolve this issue?

A. Sprint proposes the following language to resolve this issue:

2.94.1 "IntraMTA Traffic" means that portion of Section 251(b)(5) Traffic exchanged between AT&T ILLINOIS and Sprint that at the beginning of the call, originates and terminates within the same MTA.

Issue 37 - Should IntraMTA Traffic be exchanged on a bill and keep basis?

Q. What is the dispute in Issue 37?

A. The parties do appear to agree that IntraMTA traffic is subject to bill and keep. The parties disagree as to whether there should be any exceptions to the bill and keep arrangement for the exchange of certain types of IntraMTA traffic. Specifically, AT&T's proposed language includes the requirement that for IntraMTA traffic to be subject to bill and keep, it must be delivered over the Interconnection Facilities.

Q. What is Sprint's position on this issue?

A. Sprint's position is that all IntraMTA traffic – without exception – that is exchanged between the parties is subject to the bill and keep arrangement.

Q. Can you give an example of when IntraMTA Traffic would not be delivered over the Interconnection Facilities?

A. Yes. Although rare, it is conceivable that the parties could be interconnected indirectly (i.e., using the facilities of a third-party tandem provider).

Q. Is there any basis in the Telecom Act or the FCC's rules for AT&T's position that traffic delivered indirectly would not be subject to the same compensation regime as that which is delivered directly?

A. No, not that I am aware of.

Q. What language does Sprint propose to resolve this issue?

A. Sprint proposes the following language to resolve this issue:

> 6.2.2.1 IntraMTA Traffic originated on the Parties' networks and exchanged between the Parties both directly and indirectly will be bill and keep. Specifically, each Party will bill its End Users for the IntraMTA Traffic originated by such Party and will be entitled to retain all revenues from such traffic without payment of further compensation to the other Party.

Issue 8 - What, if any, is the appropriate definition of "Switched Access Service"?

Q. Please describe this issue.

A. The parties disagree on the appropriate definition of "Switched Access Service". Sprint's definition rightly recognizes that switched access service is the exchange access service provided by a telephone exchange service provider to interexchange carriers, while AT&T's definition seeks to broaden the application of the access regime to all carriers, without regard to whether the traffic is exchange access or not. The implications of AT&T's definition and treatment is that InterMTA traffic is per se subject

to switched access charges and such traffic cannot be exchanged over Interconnection Facilities.

Q. When did switched access service originate?

A. Switched access service originated as a result of the modified final judgment ("MFJ") in 1984 when the Justice Department broke up AT&T into the regional bell operating companies ("RBOCs"). The RBOCs were local exchange carriers ("LECs") that provided "local" service to end users. The MFJ also created AT&T, the interexchange ("IXC") or "long-distance" carrier, which provided "toll" services to end users. There were other IXCs such as MCI and Sprint Long Distance that provided toll service to end users. These toll services (commonly referred to "long distance") allowed customers to make calls outside of their local exchange calling area for an additional charge. The long distance carrier did not have connections directly with the end user but rather required the use of the LEC's local exchange network to reach (i.e., "access") the LEC's end user and the IXC paid the LEC charges for such access, commonly known as access charges. Access charges were assessed to the IXC by the originating LEC ("originating access charges") and the terminating LEC ("terminating access charges") on each end of the long-distance call. The service provided to the IXC by the respective LECs is what is known as switched access service.

Q. Why is that history relevant here?

A. The history of access charges and switched access service is important because AT&T is attempting to equate the traditional concept of switched access provided to an IXC to the exchange of traffic directly (or indirectly) between two telephone exchange service providers. Providing the 251(c)(2) "interconnection" to Sprint for the purpose of enabling telephone exchange and exchange access service is not the same as the service provided to an IXC (switched access service).

Q. Is Sprint an interexchange carrier?

A. No. It does not have a Carrier Identification Code ("CIC"), which is normally associated with IXCs. Sprint provides a CMRS service to its customers pursuant to its FCC-issued licenses.

Q. As a CMRS provider, what services does Sprint provide?

A. The FCC recognized that CMRS providers offer telephone exchange and exchange access services.[37]

Q. Why should the Switched Access Service definition be confined to an offering to an IXC of access by AT&T ILEC to AT&T ILEC's network?

[37] *Local Competition Order* at ¶ 1004.

A. The parties to the interconnection agreements include Sprint's CMRS entities and AT&T ILEC. The effect of AT&T's proposed definition is an overbroad, inappropriate incorporation of AT&T's access tariffs, expanding applicability to CMRS entities. To be specific, AT&T is not entitled to charge Sprint switched access charges for traffic exchanged between the two parties, except in the very narrow circumstance where the end user is assessed a toll charge as discussed in Issue 40.

Q. How should the Commission rule on the definition of Switched Access Service?

A. The Commission should adopt Sprint's definition which correctly identifies the AT&T ILEC as the party offering switched access service pursuant to its AT&T ILEC tariffs, and correctly identifies IXCs as the parties to which AT&T ILEC offers its tariffed switched access services:

> 2.103 "Switched Access Service" means an offering to an IXC of Exchange Access by AT&T ILLINOIS to AT&T ILLINOIS's network for the purpose of the origination or the termination of traffic from or to End Users in a given area pursuant to a Switched Access Services tariff.

Issue 70 – Which Party's Pricing Sheets and rates should be adopted?

Q. What is the nature of this Issue?

A. This Issue centers around the content of a "summary" pricing sheet ("Summary Pricing Sheet") to be included as part of the ICA. Specifically, the parties agree to the inclusion

of the Summary Pricing Sheet, however, AT&T refuses to actually include any rates on the page.

Q. If there are not rates on the Summary Pricing Sheet, what is the purpose of the document?

A. From Sprint's perspective, it serves no purpose to have a summary sheet if it has no rates in it. Historically, the summary sheet included key rates/cost information (e.g. reciprocal compensation, transit, shared facility percentage). For this reason, Sprint's contract personnel found the Summary Pricing Sheet to be useful. It doesn't serve its purpose if the key rates are not included. AT&T's proposal, to include the phrase "See attached pricing sheets" in lieu of any actual prices, renders the Summary Pricing Sheet useless.

Q. What is AT&T's rationale for its position?

A. I do not know.

Q. Does Sprint have other objections to AT&T's proposed Summary Pricing Sheet?

A. As of the time of writing this testimony there are two other open issues regarding certain verbiage to include in paragraph 1 of the Price Sheet and, on the actual spreadsheet, how to label certain line entries, but the parties remain hopeful that these will both be resolved shortly. If these items are not ultimately resolved as anticipated, then I will address each in my Supplemental statement.

Q. Aside from the items discussed above, are there any other disputes regarding the Price Sheet or pricing spreadsheet language?

A. Yes, but the parties are in agreement that the resolution of the remaining language depends on the substantive resolution of other open issues. Thus, the resolution of a given issue will drive which of the parties' competing language will be used in those instances.

Q. How does Sprint request the Commission resolve this Issue?

A. Sprint requests that the Commission adopt its Summary Pricing Sheet, which was filed with the Arbitration Petition.

Q. Does that conclude your Verified Written Statement?

A. Yes.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

SPRINTCOM, INC., WIRELESSCO, L.P., NPCR, INC. D/B/A NEXTEL PARTNERS, AND NEXTEL WEST CORP.	)	
Petition for Arbitration, Pursuant to Section 252(b) of the Telecommunications Act of 1996, to Establish an Interconnection Agreement With	)	Docket No. 12-0550
Illinois Bell Telephone Company d/b/a Ameritech Illinois	)	

VERIFICATION

I, Mark G. Felton do on oath depose and state that the facts contained in the foregoing document are true and correct to the best of my knowledge and belief.

Mark G. Felton

SIGNATURE OF PERSON VERIFYING DOCUMENT

SIGNED AND SWORN BEFORE ME THIS 5th day of December, 2012.

Shelly L Green

NOTARY PUBLIC

NOTARY PUBLIC - State of Kansas
Shelly L Green
My Appt. Expires 1/5/2016